GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2533
ANSWERED ON:07.03.2003
INTERNATIONAL CREDIT CARDS
RAMDAS RUPALA GAVIT;RATILAL KALIDAS VARMA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are proposing to relax regulations regarding international credit cards;

(b) if so, the details thereof; and

(c) the other facilities that would be provided following the relaxation in the said regulations?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a), (b) & (c) :- Reserve Bank of India (RBI) has reported that relaxation to control regulations for International Credit Cards (ICCs) is an on going process. As per existing instructions, NRIs/PIOs are permitted to settle Credit Cards dues out of FCNR/NRE or NR(accounts in respect of ICCs issued by banks in India. In case the Cards have been issued by banks outside India, their dues can be settled only out of balance held in FCNR/NRE accounts.The residents have been allowed to make payment towards expenses, while on a visit outside India, to the extent of the limit of the Card, prescribed by the Card issuing authority. No separate monitory/item-wise ceiling is imposed by the RBI for use of ICCs under FEMA, 1999.